B. Universal Service Support Received

Section 54.313(a)(1) requires that all recipients of high-cost support provide an explanation of how much universal service support was received during the reporting period. For this year's Progress Report, the amount of universal service support received will be for the 6 months ended June 30, 2015. The Company received the following universal service support amounts during the period January 1, 2015 through June 30, 2015:

Description	Amount Rec'd Jan – Jun 2015
High Cost Loop Support	$240,909
Safety Valve Support	
Safety Net Additive Support	
Interstate Common Line Support	$234,216
CAF-ICC Support	$17,556
Total	**$492,681**

The Company spent approximately $180,000 on regulated capital expenditures and $890,000 on regulated operating expenses from January 2015 to June 2015.

C. How Universal Service Support Was Used

Section 54.313(a)(1) also requires all recipients of high-cost support to provide an explanation of how the universal service support received was used to improve service quality, coverage, or capacity. The universal service support received by the Company is either based on (1) actual overall revenue requirements, as determined by associated FCC rules, or (2) the replacement of certain interstate and intrastate access revenues. This support is added to the Company's general funds and the expenditure of such support is not separately tracked, nor is it practical to do so.

Overall, any support expended pursuant to the investment and operating expense budgets presented in the Company's five year service quality improvement plan will be used to increase coverage and capacity, via additional investment in voice and broadband-capable infrastructure, and improve service quality, via expenditures for continued operations and maintenance. By the very nature of the FCC rules that give rise to the universal service support received, the Company clearly expends such funding to support regulated operations and thus serves to improve broadband and voice coverage, capacity and service quality. Therefore, due to the reimbursement nature of the HCLS and ICLS mechanisms, all support received was already expended to increase coverage, capacity and service quality improvement through qualifying capital investments and the qualifying operating expenses that support them.

D. Network Improvement Targets

Section 54.313(a)(1) requires all recipients of high cost support to provide an explanation of any network improvement targets that have not been fulfilled in the prior calendar year. Since the Company filed its initial five year service quality improvement plan in 2014, there is no prior calendar year upon which to report at this time.

IV. Considerations

The investment and service quality improvement plan and progress report discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

- *Speed* - at least 10 mbps upstream and 1 mbps downstream in regards to requests for service beginning in 2015. This reflects the Commission's recent decision to increase the standard broadband speed from 4 mbps /1 mbps.
- *Latency* - 100mS or less, sufficient for real-time applications
- *Capacity* – The Company currently provides unlimited monthly usage to its broadband service customers.
- As an RoR-regulated carrier, the Company is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 10 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan and Progress Report reflected herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by the Colorado Public Utilities Commission
- The Company will provide high speed internet and telephone service to all areas within its franchised area.

Bijou Telephone Cooperative, Inc. (SAC _462181_)
Statement Regarding Compliance with Service Quality Standards and Consumer Protection Rules
47 CFR § 54.313(a)(5)
Form 481, Line 510

Bijou Telephone Cooperative, Inc. (Bijou) is an incumbent local exchange carrier operating in the state of Colorado, and is an eligible telecommunications carrier (ETC) designated by the Colorado Public Utilities Commission (COPUC). As such, Bijou is subject to the regulatory authority of the COPUC and operates under the relevant rules and laws of the state of Colorado.

Bijou is subject to the service quality standards and consumer protection standards adopted by the COPUC and that are applicable to ILECs in the state of Colorado. These standards are contained in the Code of Colorado Regulations 4 CCR 723-2. Consumer protection standards are also contained in Bijou's local tariff that is on file with the COPUC.

Apart from effective internal procedures and operations, Bijou ensures compliance with all applicable service quality and consumer protection rules through COPUC enforcement, which entails the operation of an effective customer complaint process. Bijou is required to respond to customer complaints and other service quality-related inquiries from the COPUC in a reasonable time frame. Bijou consistently meets or exceeds all COPUC-adopted standards, and reports to this effect via all required COPUC processes.

Finally, Bijou has established internal procedures to ensure compliance with the Federal Communications Commission's Customer Proprietary Network Information (CPNI) rules that include, but are not limited to, periodic employee training and maintenance of written company CPNI procedures. Bijou certifies its compliance with the Commission's CPNI rules by making annual filings as required in 47 CFR § 64.2009(e).

Bijou Telephone Cooperative, Inc. (SAC _462181_)
Statement Regarding the Ability to Function in Emergency Situations
47 CFR § 54.313(a)(6)
Form 481, Line 610

Bijou Telephone Cooperative, Inc. (Bijou) is an incumbent local exchange carrier operating in the state of Colorado, and is an eligible telecommunications carrier (ETC) designated by the Colorado Public Utilities Commission (COPUC). As such, Bijou is subject to the regulatory authority of the COPUC and operates under the relevant rules and laws of the state of Colorado.

Bijou has batteries and portable generators capable of providing the required level of backup power, and that can be deployed as necessary to Bijou's switching and remote sites. Bijou's network is capable of rerouting traffic around damaged facilities, although this ability is not absolute and may be limited in certain circumstances. However, Bijou follows all industry standard practices in ensuring its network remains functional during different types of emergency situations.

(A) Process for Assignment of 8-1-1 Abbreviated Dialing Code. The assignment of the 8-1-1 abbreviated dialing code will be considered by the Commission upon: 1) the Commission's own motion; or 2) the Petition of an entity.

(B) Petition for Consideration of the Assignment of 8-1-1. An entity filing a Petition to request consideration of the assignment of the 8-1-1 abbreviated dialing code to provide a means for excavators and the general public to notify facility operators in advance of their intent to engage in excavation activities must present clear and convincing evidence that a public benefit exists. The Commission will evaluate the Petition based upon this evidence.

(C) Contents of the Petition. The Petition shall contain the following information and documentation:

(i) Background of the Petitioner, including composition of any governing board or agency;

(ii) Demonstration of public need;

(iii) Historic volume of calls seeking notification to facility operators in advance of their intent to engage in excavation activities;

(iv) Proposed affected geographic area;

(v) Proposed cost recovery solution, including funding mechanisms;

(vi) Proposed plan for community outreach and notification; and

(vii) Other pertinent factors that the Commission deems relevant.

(II) If two of more entities petition the Commission to provide a means for excavators and the general public to notify facility operators in advance of their intent to engage in excavation activities using 8-1-1 in the same or overlapping geographic areas, the Commission shall use the criteria in subparagraph (C) to establish one assignee.

(III) When a Petition is granted by the Commission under subparagraph (C), any telecommunications provider that provides service in the geographic area outlined in the Petition, shall complete the following tasks:

(A) If an affected telecommunications service provider is using 8-1-1 for purposes other than access to notification to facility operators in advance of their intent to engage in excavation activities, that provider shall discontinue use for that non-compliant purpose.

(B) If the affected telecommunications service provider plans to seek recovery of internal costs associated with 8-1-1 call completion, the affected provider shall perform all analyses required to quantify the cost to its individual company for the necessary translations and/or facilities work.

(C) The affected telecommunications service provider shall estimate the time required to perform the necessary translation and/or facilities work to allow 8-1-1 call completion from its subscribers as requested in the Petition.

(IV) Within 30 days of the granting of a Petition, the affected telecommunications service providers shall file with the Commission, the information requested in subparagraphs (B) and (C).

(V) All telecommunications service providers serving customers in the affected area will complete the requirements of subparagraph IV to allow for 8-1-1 call completion no later than April 13, 2007, unless a waiver is sought and granted.

(k) Rules relating to the provisioning of the 9-1-1 abbreviated dialing code for emergency services:

(I) See rules 2130 through 2159.

(l) Neither an entity granted the use of a N-1-1 abbreviated dialing code nor a provider may charge end users a fee on a per-call or per-use basis for using the N-1-1 system without the consent of the Commission.

(I) Sale or transfer of N-1-1 codes through private transactions is not allowed.

2742. – 2799. [Reserved].

PROGRAMS

Low-Income Telephone Assistance Program

Basis, Purpose, and Statutory Authority

The basis and purpose of these rules is to implement the Low-Income Telephone Assistance Program (LITAP) so that low-income individuals receive assistance adequate to ensure access to residential basic local exchange telecommunications service and to prescribe the procedures for the administration of the LITAP Fund.

The statutory authority for the promulgation of these rules is found at §§ 40-2-108, 40-3.4-106, and 40-15-502(3)(a), C.R.S. These rules are consistent with 47 U.S.C. § 254 and 47 C.F.R., Part 54 (October 2002).

2800. Applicability.

(a) Rules 2800 through 2805 are applicable to all providers of basic local exchange telecommunications service.

(b) Rules 2800 through 2819 are applicable to LECs who are Eligible Telecommunications Carriers (ETCs) and who are certified to do business in and to offer basic local exchange service within the state of Colorado.

2801. Definitions.

The following definitions apply only in the context of rules 2800 through 2819:

(a) "Eligible subscriber" means an individual who is qualified to receive low-income telephone assistance pursuant to § 40-3.5-105, C.R.S.

(b) "Low Income Telephone Assistance Program (LITAP) service" means a retail residential local service offering that:

(I) Allows eligible subscribers to pay reduced charges by applying the support amount described in § 40-3.4-104, C.R.S.; and

(II) Is available to eligible subscribers as determined by the Colorado Department of Human Services.

2802. Incorporation by Reference.

References in rules 2800 through 2819 to Part 54 are references to rules issued by the FCC and have been incorporated by reference, as identified in rule 2008.

2803. Plan Implementation.

Prior to implementing a program plan, each provider to which these rules apply shall file with the Commission the information specified in paragraph 2804(b), along with an advice letter and tariff pages adding the LITAP service.

(a) The tariff shall include a description of the LITAP service offered to eligible subscribers and the associated monthly rate. Such tariff shall provide a 25 percent discount, or the end user common line charge, whichever is greater, for a single residential basic local exchange line in the principal residence of an eligible subscriber. In addition, eligible subscribers who are billed by the provider and who pay mileage or zone charges associated with the line are eligible for a 25 percent discount for these charges.

(b) LITAP service rates shall be further reduced by any amount that the basic local exchange provider receives from any federal program providing for a reduction in such intrastate rate.

(c) In no event shall the discount for LITAP service be less than the end user common line charge imposed by the FCC.

2804. Fund Administration.

The Commission shall determine, and by appropriate order, impose a uniform charge on each business and residential access line in a uniform amount for participating telecommunications providers. Such charges can be adjusted on or before July 1 of each year. To assist the Commission in calculating that uniform charge, the following information shall be provided to the Commission:

(a) The Department of Human Services shall forward to the Commission by April 1 of each calendar year its estimate of its administrative expenses incurred under § 40-3.4-101, C.R.S., et seq., and its estimate of the number of eligible subscribers for the coming fiscal year.

(b) Each provider of basic local exchange telecommunications services shall, in its annual report to the Commission, state its estimate for the coming year of the number of eligible subscribers who will receive low-income telephone assistance, the number of business and residential subscribers subject to the uniform charge, and its administration cost of the program as well as the historic monthly amounts of collections generated by the uniform charge, the monthly amounts of revenue forgone due to the discount of the program, its monthly administration expenses, and amounts reimbursed from or remitted to the Low-Income Telephone Assistance Fund as managed by the State Treasurer. Providers of basic local exchange telecommunications services having more than 500,000 access lines shall report program administrative fees based on actual costs. Providers of basic local exchange telecommunications services having less than 500,000 access lines shall report a Commission-approved administrative fee based on an average cost to administer the program as shown in the provider's industry-standard cost documentation or actual cost to administer the program as demonstrated through the provider's accounting documentation.

(c) The State Treasurer shall forward to the Commission by April 1 of each calendar year, an accounting of the transactions occurring in the Low-Income Telephone Assistance Fund.

(d) The Commission by April 1, of each calendar year shall estimate its administrative expenses incurred under § 40-3.4-101, C.R.S., et seq.

(e) The Commission, within 30 days of receipt of each report and after examining same, shall calculate the uniform charge based upon the undisputed amounts. Disputes concerning the amounts due for reimbursements from the fund shall be resolved through the Commission's administrative hearing process.

(f) The Commission, shall by order, specify the amount of reimbursement due to each LEC if the foregone revenues plus any reasonable administrative expenses exceed the total amount of the uniform charge collected by the LEC.

2805. Uniform Charge.

(a) The uniform charges imposed pursuant to § 40-3.4-108(1), C.R.S., shall be billed to each access line of each provider of basic local exchange telecommunications services.

(b) The uniform charge shall not be imposed on any state or local governmental body or on eligible subscribers.

(c) A provider of basic local exchange telecommunications service may collect the uniform charge by a specific line item on subscribers' bills if provided for in its tariff. Alternatively, the uniform charge may be included in each subscriber's bill as part of the subscriber's basic exchange service rate and the provider's tariff shall indicate, through a footnote or other explanatory text, that the basic exchange service rate contains the uniform charge. In addition, if the basic exchange service rate includes the uniform charge, a market informational note shall be added to the bill once a year informing customers that "The base rate includes a Commission-approved monthly charge for the Low-Income Telephone Assistance Program".

(d) Upon collecting the uniform charge, each provider may retain, from the total charges collected, an amount sufficient to reimburse such provider for its provision of low-income telephone assistance.

(I) If the total collected is in excess of the amount sufficient to reimburse the provider, the provider shall by the 30th day following the end of each quarter (January 30, April 30, July 30, and October 30) remit the excess to the Commission. To assist providers, the Commission may provide net contributors a form at least 30 days prior to the above due dates in order to accurately calculate the amounts to be remitted to the Commission. The Commission shall deposit such amount with the State Treasurer, who shall credit the same to the Low-Income Telephone Assistance Fund.

(II) If the total collected is insufficient to reimburse the provider, the provider shall request reimbursement from the fund by providing the required information of paragraph 2804(b) in its annual report to the Commission. The Commission, after examining the information provided, shall calculate the amount due for reimbursements from the fund, and request reimbursement from the State Treasurer, who shall remit that amount and shall debit the same amount from the Low-Income Telephone Assistance Fund.

(e) The Department of Human Services shall file with the Commission a report detailing its costs in administering the low-income telephone assistance program in accordance with § 40-3.4-101, C.R.S., et seq. The Commission shall request reimbursement of the approved expenses of the Department of Human Services from the State Treasurer, who shall remit that amount and shall debit the same from the Low-Income Telephone Assistance Fund.

2806. Prohibition of Disconnection.

(a) Providers shall not disconnect LITAP service subscribers for non-payment of toll charges.

(b) The Commission may grant a variance of paragraph (a) of this rule if the LEC can demonstrate all of the following:

(I) It would incur substantial and unjustifiable costs in complying with this requirement;

(II) It offers toll limitation to its qualifying low-income customers without charge; and

(III) Telephone subscriptions among low-income customers in the carrier's service area are greater than or equal to the national subscription rate for low-income customers. For purposes of this subparagraph, a "low-income customer" is one with an income below the poverty level as defined by the Department of Human Services for a family of four residing in the state.

2807. Offering of Toll Limitation.

(a) All ETCs shall offer toll limitation to all qualifying low-income customers at the time such customers subscribe to LITAP service. If the customer elects to receive toll limitation, that service shall become part of the customer's LITAP service.

(b) LITAP support for providing toll limitation shall be provided from the federal lifeline program.

2808. Service Deposit.

Providers shall not collect a service deposit in order to initiate LITAP service, if the qualifying low-income customer voluntarily elects toll limitation from the carrier, where available. If toll limitation is unavailable, the carrier may charge a service deposit.

2809. Federal Reporting Requirements.

Each ETC shall file information with the administrator of the federal Lifeline program demonstrating that the carrier's LITAP plan meets the criteria set forth in 47 C.F.R., Part 54, Subpart E, and stating the number of qualifying low-income customers and the amount of state assistance.

2810. – 2819. [Reserved]

<u>Telecommunications Relay Services for Disabled Telephone Users</u>

Basis, Purpose, and Statutory Authority

The basis and purpose of these rules is to implement Article 17 of Title 40, C.R.S., Telecommunications Relay Services (TRS) for Disabled Users compliant with the federal Americans with Disabilities Act of 1990 and which are consistent with the Commission's quality of service rules; require relay-communicated messages to be delivered promptly, accurately, privately, and confidentially; specify the types of calls that are included as telecommunications relay services; and implement a cost recovery mechanism.

The statutory authority for the promulgation of these rules is found at §§ 40-3.4-106; 40-15-502(3)(a); 40-17-103(2) and (3); and 40-2-108, C.R.S.

2820. Applicability.

Rules 2820 through 2839 are applicable to all providers of basic local exchange telecommunications services, certificated to do business in the state.

2821. Definitions [Reserved].

2822. Incorporation by Reference.

References in rules 2820 through 2839 to Part 64 are references to rules issued by the FCC and have been incorporated by reference, as identified in rule 2008.

2823. Conformity with the Federal Americans with Disabilities Act of 1990.

(a) Adoption of federal regulations. For the purpose of providing telecommunications relay services in Colorado, the Commission adopts the FCC's rules and regulations establishing mandatory minimum operational and technical standards, found at 47 C.F.R. §§ 64.601 and 64.604 (a) and (b). These rules require that telecommunication relay service providers relay communicated messages promptly and accurately, maintain the privacy of persons who receive

Bijou Telephone Co-Op Association, Inc. (SAC __462181__)
Milestone Certification
47 CFR 54.313(f)(1)(i)
Form 481, Line 3010

Bijou Telephone Co-Op Association, Inc. hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 4 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

Bijou Telephone Co-Op Association, Inc. (SAC ___462181___)
Community Anchor
47 CFR 54.313 (f)(1)(ii)
Form 481, Line 3012

The Company did not begin providing broadband service to any community anchor institutions during 2014. The Company had previously provided broadband service meeting the Commission's public interest obligation standards to all community anchor institutions in its study area and, to the company's knowledge, no new community anchor institutions began operating in the Company's study area during 2014.

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
The Bijou Telephone Co-op Association, Inc.
Byers, Colorado

We have compiled the accompanying balance sheets of The Bijou Telephone Co-op Association, Inc. (a Colorado corporation) as of December 31, 2014 and 2013, and the related statements of income and retained earnings or margins for the years ended December 31, 2014 and 2013, and cash flows for the year ended December 31, 2014, included in the accompanying prescribed form. We have not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Federal Communications Commission (FCC).

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed by the FCC and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the FCC, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the FCC, Universal Service Administrative Company and the Colorado Public Utilities Commission and is not intended to be and should not be used by anyone other than these specified parties.

Kiesling Associates LLP

Colorado Springs, CO

June 12, 2015

(3005a) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Balance Sheet - Data Collection Form	OMB Control No. 3060-0986
	OMB Control No. 3060-0819
Page 1 of 3	July 2015

<010> Study Area Code	
<015> Study Area Name	Bijou Telephone Co-op Association, Inc.
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Karen Yockey
<035> Contact Telephone Number - Number of person identified in data line <030>	303-822-5400
<039> Contact Email Address - Email Address of person identified in data line <030>	kyockey@netecin.net

Filed as reviewed single company	☐	Filed as audited single company	☐
Filed as reviewed consolidated company	☐	Filed as audited consolidated company	X
Filed as subsidiary of reviewed consolidated company	☐	Filed as subsidairy of audited consolidated company	☐

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Signature | Date

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILTIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			**CURRENT LIABILITIES**		
1. Cash and Equivalents	914,930	1,141,607	25. Accounts Payable	2,228,333	2,294,540
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable	372,877	100,382	29. Current Mat. L/T Debt	146,700	146,700
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	12,134	18,969	32. Income Taxes Accrued	-	
b. Other Accounts Receivable	246,016	121,893	33. Other Taxes Accrued	32,100	29,179
c. Notes Receivable			34. Other Current Liabilities	2,874	1,612
5. Interest and Dividends Receivable	246,948	246,948	35. Total Current Liabilities (25 thru 34)	2,410,007	2,472,031
6. Material-Regulated	300,868	354,727	**LONG-TERM DEBT**		
7. Material-Nonregulated	1,451	1,244	36. Funded Debt-RUS Notes		
8. Prepayments	82,379	82,729	37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	2,177,603	2,068,499	39. Funded Debt-Other	182,257	35,591
			40. Funded Debt-Rural Develop. Loan		
NONCURRENT ASSETS			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development	1,463,311	1,770,281	43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)	182,257	35,591
b. Nonrural Development	235,813	201,072	**OTHER LIAB. & DEF. CREDITS**		
13. Nonregulated Investments			47. Other Long-Term Liabilities	15,055	12,989
14. Other Noncurrent Assets	4,600	3,067	48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)	15,055	12,989
17. Total Noncurrent Assets (11 thru 16)	1,703,724	1,974,420	**EQUITY**		
			51. Cap. Stock Outstanding & Subscribed		
PLANT, PROPERTY, AND EQUIPMENT			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service	9,184,919	9,115,966	53. Treasury Stock		
19. Property Held for Future Use			54. Membership and Cap. Certificates	2,017	2,108
20. Plant Under Construction			55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits	4,624,606	4,811,004
22. Less Accumulated Depreciation	5,832,304	5,825,162	57. Retained Earnings or Margins		
23. Net Plant (18 thru 21 less 22)	3,352,615	3,290,804	58. Total Equity (51 thru 57)	4,626,623	4,813,112
24. TOTAL ASSETS (10+17+23)	**7,233,942**	7,333,723	**59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)**	**7,233,942**	7,333,723

See Accountant's Compilation Report

(3005b) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Income Statement - Data Collection Form	OMB Control No. 3060-0986
	OMB Control No. 3060-0819
Page 2 of 3	July 2015

<010> Study Area Code

<015> Study Area Name Bijou Telephone Co-op Association, Inc.

<020> Program Year 2014

<030> Contact Name - Person USAC should contact regarding this data Karen Yockey

<035> Contact Telephone Number - Number of person identified in data line <030> 303-822-5400

<039> Contact Email Address - Email Address of person identified in data line <030> kyockey@netecin.net

PART B. STATEMENTS OF INCOME AND RETAINED EARINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	836,092	308,270
2. Network Access Services Revenues	1,052,671	1,403,484
3. Long Distance Network Services Revenues	-	-
4. Carrier Billing and Collection Revenues	4,529	4,269
5. Miscellaneous Revenues	14,979	37,405
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)	1,908,271	1,753,428
8. Plant Specific Operations Expense	561,938	557,877
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	129,318	133,170
10. Depreciation Expense	452,889	480,636
11. Amortization Expense	-	-
12. Customer Operations Expense	167,536	157,267
13. Corporate Operations Expense	588,712	529,196
14. Total Operating Expenses (8 thru 13)	1,900,393	1,858,146
15. Operating Income or Margins (7 less 14)	7,878	(104,718)
16. Other Operating Income and Expenses	-	-
17. State and Local Taxes	(3,087)	393
18. Federal Income Taxes	(5,199)	2,922
19. Other Taxes	36,951	35,375
20. Total Operating Taxes (17+18+19)	28,665	38,690
21. Net Operating Income or Margins (15+16-20)	(20,787)	(143,408)
22. Interest on Funded Debt	13,323	5,343
23. Interest Expense - Capital Leases	-	-
24. Other Interest Expense	1,533	4,407
25. Allowance for Funds Used During Construction	-	-
26. Total Fixed Charges (22+23+24-25)	14,856	9,750
27. Nonoperating Net Income	187,982	308,695
28. Extraordinary Items	-	-
29. Jurisdictional Differences	-	-
30. Nonregulated Net Income	142,942	141,482
31. Total Net Income or margins (21+27+28+29+30-26)	295,281	297,019
32. Total Taxes Based on Income	(10,979)	6,355
33. Retained Earnings or Margins Beginning-of-Year	-	-
34. Miscellaneous Credits Year-to-Date	-	-
35. Dividends Declared (Common)	-	-
36. Dividends Declared (Preferred)	-	-
37. Other Debits Year-to-Date	-	-
38. Transfers to Patronage Capital	295,281	297,019
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	-	-
40. Patronage Capital Beginning-of-Year	4,411,265	4,624,606
41. Transfers to Patronage Capital	295,281	297,019
42. Patronage Capital Credits Retired	81,940	110,621
43. Patronage Capital End-of-Year (40+41-42)	4,624,606	4,811,004
44. Annual Debt Service Payments	161,299	146,666
45. Cash Ratio [(14+20-10-11)/7]	0.77	0.81
46. Operating Accrual Ratio [(14+20+26)/7]	1.02	1.09
47. TIER [(31+26)/26]	20.88	31.4635
48. DSCR [(31+26+10+11)/44]	4.7305	5.37

See Accountant's Compilation Report

CONFIDENTIAL INFORMATION -
SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109,
GN DOCKET NO. 09-51, CC DOCKET NOS. 01-92, 96-45,WT DOCKET NO. 10-208 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.

(3005c) Operating Report for Privately-Held Rate of Return Carriers Cash Flow - Data Collection Form Page 3 of 3	FCC Form 481 OMB Control No. 3060-0986 OMB Control No. 3060-0819 July 2015

<010> Study Area Code	
<015> Study Area Name	Bijou Telephone Co-op Association, Inc.
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	Karen Yockey
<035> Contact Telephone Number - Number of person identified in data line <030>	303-822-5400
<039> Contact Email Address - Email Address of person identified in data line <030>	kyockey@netecin.net

PART C. STATEMENTS OF CASH FLOWS	
1. **Beginning Cash (Cash and Equivalents plus RUS Construction Fund)**	914,930
CASH FLOWS FROM OPERATING ACTIVITIES	
2. **Net Income**	297,019
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	480,636
4. Add: Amortization	
5. Other (Explain) - Other Accrued Taxes	(2,921)
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	389,783
7. Decrease/(Increase) in Materials and Inventory	(53,652)
8. Decrease/(Increase) in Prepayments and Deferred Charges	(350)
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	66,207
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	(1,262)
13. **Net Cash Provided/(Used) by Operations**	1,175,460
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	(146,666)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	(2,066)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	91
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	(110,621)
22. Other (Explain)	
23. **Net Cash Provided/(Used) by Financing Activities**	(259,262)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	(418,825)
25. Other Long-Term Investments	(272,229)
26. Other Noncurrent Assets & Jurisdictional Differences	1,533
27. Other (Explain)	
28. **Net Cash Provided/(Used) by Investing Activities**	(689,521)
29. **Net Increase/(Decrease) in Cash**	226,677
30. **Ending Cash**	1,141,607
See Accountant's Compilation Report	

To the Board of Directors
The Bijou Telephone Co-op Association, Inc. and Subsidiaries
Byers, Colorado

We have audited the consolidated financial statements of The Bijou Telephone Co-op Association, Inc. and subsidiaries, as of and for the year ended December 31, 2014, and have issued our report thereon dated April 13, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated October 7, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies.

The significant accounting policies of the Company are described in footnotes to the consolidated financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2014. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The only sensitive accounting estimates included in the consolidated financial statements for the year ended December 31, 2014, relate to the estimates for depreciation. As part of our audit, we compared the Company's depreciation rates to average rates used within the telecommunications industry. We have also discussed with management the Company's long-range plant replacement plans and have determined the current depreciation rates to be consistent with those plans.

The disclosures in the financial statements are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 13, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditor. However, these communications occurred in the normal course of our professional relationship and to our knowledge our responses were not a condition to our retention.

This letter is intended solely for the information and use of the board of directors, management of the Company, the Federal Communications Commission (FCC), Universal Service Administrative Company (USAC), and the relevant state and local regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kiesling Associates LLP

Colorado Springs, Colorado
April 13, 2015